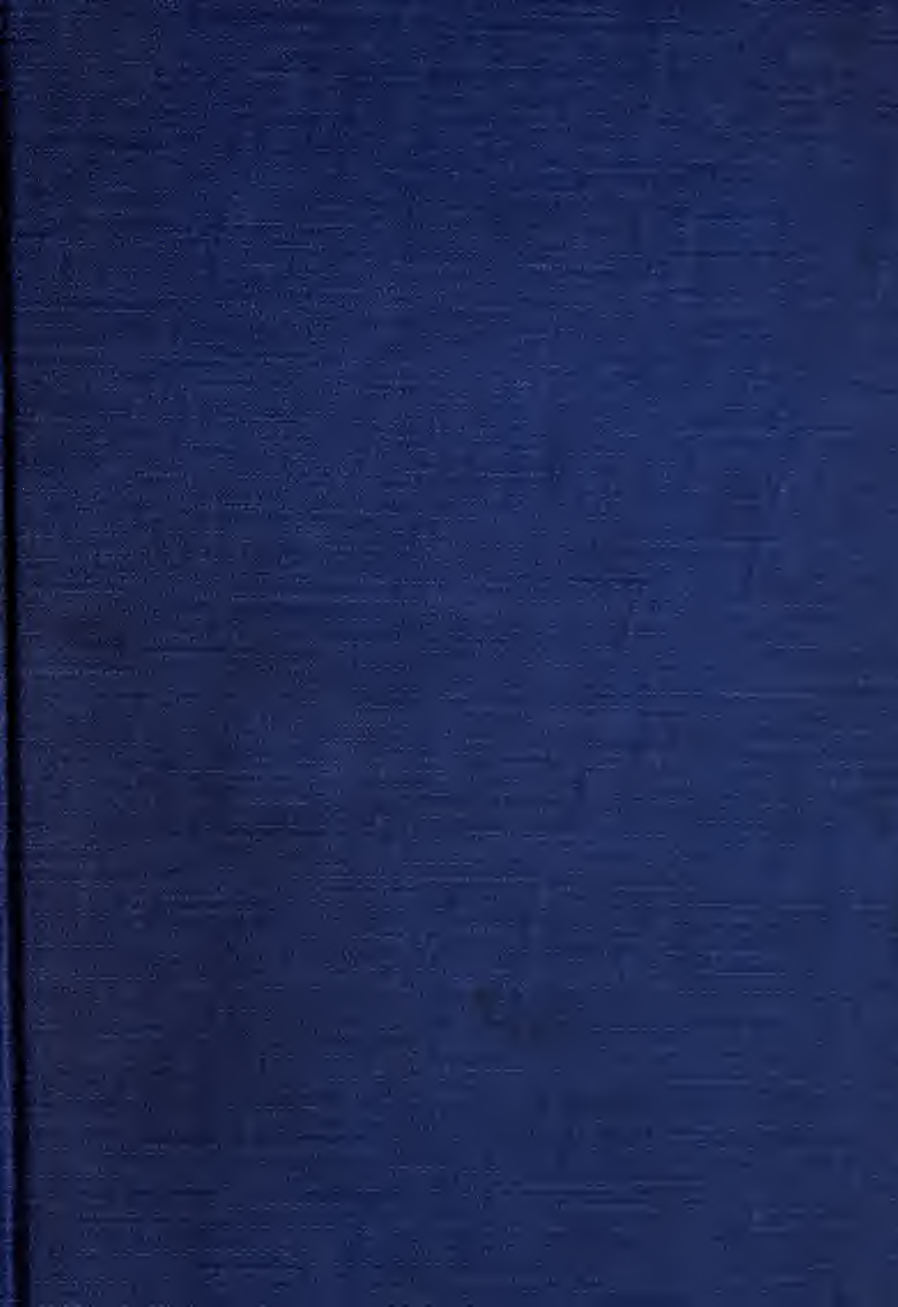
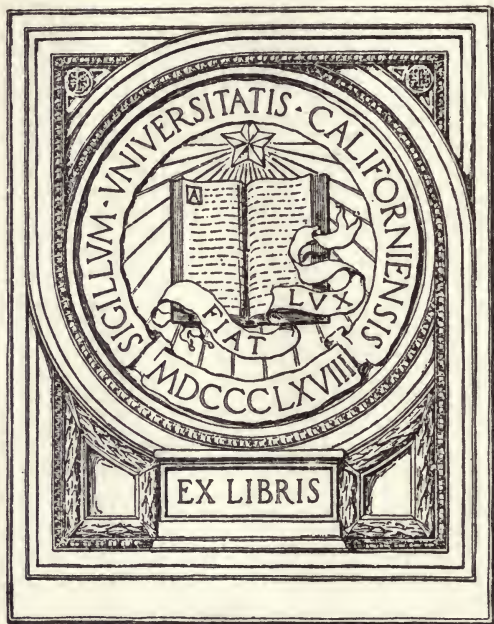






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IV.—LOTTERIES IN AMERICAN HISTORY.

BY A. R. SPOFFORD, LIBRARIAN OF CONGRESS.

LOTTERIES IN AMERICAN HISTORY.

By A. R. SPOFFORD, *Librarian of Congress.*

In attempting to sketch an outline of the history of the lottery system in the United States, I propose no other aim than to rescue from the oblivion of obsolete statutes and forgotten journals some facts which may prove of historical interest. If, perchance, I am reminded that it is no part of the functions of an historical association to enter upon the domain of ethics, it is to be remembered that the history of morals has long been recognized as one of the most interesting and profitable of historical investigations. It is not my purpose, however, to treat of the morality of lotteries, but to present, so far as possible in the short time allotted, a brief of their history. If the manners and customs of a people are of perennial interest to their posterity, this leaf out of the social history of America may perhaps be found not wholly unworthy of notice.

The genesis of the English settlement of Virginia presents the first record found of the lottery in connection with our own country. In the third charter of King James to the Virginia Company of London, in 1612, full power and license is granted, with much legal tautology, to that company "to set forth, erect, and publish one or more lottery or lotteries, to have continuance for the space of one whole year next after the opening of the same." These lotteries were to be opened in London or in any towns within the realm of England, with such prizes, agents, etc., as the Company found convenient, and all the promoters were to be put under oath for their true dealing, that none adventuring in the lottery might be defrauded of their moneys, "or evil and indirectly dealt withal in their said adventures."

The lotteries thus sanctioned were largely subscribed to, the Grocers' Company of London and other guilds taking shares, and we even find two London churches adventuring £6 in Virginia lottery tickets. The first lottery was drawn in both June and July, 1612, and a second was drawn November 17, 1615, all moneys of the adventurers being paid in to Sir Thomas Smith, treasurer, "to inable us to make good supplies to the colonie in Virginia." The drawings were often postponed to enable the numbers of the lottery to be filled up. The amount realized from them was about £29,000, but upon the House of Commons protesting against the Virginia Company's lotteries as an illegal raising of money without Parliamentary sanction, they were terminated in 1621, by an order in council.

The earliest notice of an American lottery I have found (although it was not the first) was in Andrew Bradford's *American Weekly Mercury*, Philadelphia, February 23, 1720. It advertises a "new brick house, corner of Third and Arch," for which 350 tickets, at 20 shillings each, were to be drawn. "John Read and Henry Frogley have given £500 bond to the mayor to see a fair drawing." Soon after, lotteries appear to have become common, and their attendant evils led to the passage of an act as early as 1729, by the legislature, forbidding lotteries under a penalty of £100.

This, however, went no further than to prohibit unauthorized lotteries, for those permitted by special legislative grant continued to flourish.

As early as 1735 we find the proprietors of Pennsylvania proposing a new method of selling lands in the province by lottery. This scheme was to sell 100,000 acres of land at £15 10s. per 100 acres, making the sum of £15,500, and that the same be purchased by the sale of 7,750 tickets at £2 each, also amounting to £15,500. The subscription not having filled up, this lottery was never drawn, but the tickets actually sold were recognized as titles to lands.

Many cases are found in the early history of Philadelphia—then our largest city—of lotteries organized for public objects. For many years after this practice began to prevail it was not regarded at all as a kind of gambling; the most reputable citizens were engaged in these lotteries, either as selected managers or as liberal subscribers. It was looked upon as a kind of voluntary tax for paving streets, erecting wharves, buildings, etc., with a contingent profitable return for such

subscribers as held the lucky numbers. All the subscribers and managers contributed their influence to secure the sale of all the tickets, so as to insure the largest return for the object to which the funds remaining above the prizes drawn were pledged.

It is curious to find the early defense of the colonies against foreign invasion helped on by the aid of the lottery. In 1748 leading citizens of Philadelphia (Benj. Franklin, Edward Shippen and others), having defeated the Quaker policy of non-resistance, organized a lottery to raise £3,000 needed for the erection of a battery on the Delaware. There were 2,842 prizes held out to subscribers, and 7,158 blanks. Tickets were put at 40s, and the common council took 2,000 tickets to aid the cause of defending the city against attack, some of which drew prizes. The scheme was successful in raising the needed money, and a fine battery of cannon was soon planted below the city on the bank of the Delaware.

In 1748 a lottery was organized at Philadelphia to raise 9,375 "pieces of eight"¹ for public use.

In 1756 another lottery was formed to raise the same amount for a college and academy in Philadelphia.

In Franklin's Pennsylvania Gazette of February 22, 1759 is a "scheme of a lottery for raising 1,200 pieces of eight for finishing the English church in the city of New Brunswick." The advertisement avers that this drawing is "solely for the promotion and honor of religion," and is in "imitation of many of their pious neighbors in this and adjacent provinces."

By the year 1761 lotteries had become so common in Pennsylvania, that the law forbidding them may be said to have proven a dead letter. Almost the whole community speculated in tickets, and the objects for which the numerous schemes were developed, were extremely various. Among those for education was a lottery to raise £1,125 for the use of a public English and High Dutch school; and to raise £6,000 for New Jersey College. Other schemes provided for paving the streets of Philadelphia, for bridging Conestoga and Octorara Creeks; for a lighthouse at Cape Henlopen; for a company of rangers, and for £500 for the use of the colony of New Jersey. Strange as it may appear in modern eyes, the larger number of lotteries at this period were for ecclesiastical objects. Thus we read of lotteries to gather in £1,350 for St. James' Church, Lancaster;

¹The "piece of eight" was equivalent to one dollar.

£500 to enlarge Trinity Church, Oxford; £450 for the Presbyterian Church, Middletown; 3,000 pieces of eight to finish the Episcopal Church in Third street; £3,000 for a new Presbyterian Church in Baltimore, and 3,000 pieces of eight to finish the steeple of the Second Presbyterian Church, Third and Arch streets.¹

A much advertised scheme for a lottery to raise funds for public baths and pleasure grounds brought out organized opposition from the clergy and others, who united in a protest to the governor against it. It was said that this kind of gambling was associated with much dissipation and immorality. The anti-lottery efforts had the effect to pass a more stringent law through the legislature in 1761, declaring all lotteries, public or private, to be common nuisances, and opposed to the good of the province. A penalty of £500 for erecting a lottery, with £25 fine for advertising or selling tickets, was imposed. The rights of existing lotteries were reserved, and £3,000 was raised for the streets, so that the first public paving ever done in that city was paid for out of the avails of a lottery.

John Leacock, in 1773, set up a lottery for the encouragement of the grape-growing industry. The glass works, at Kensington, to raise money for carrying on their business, instituted a lottery the same year.

In 1784, in pursuance of petitions from Philadelphia, the legislature passed an act for a State lottery, to raise \$42,000 to improve the roads leading into the city, which was successful in attaining the object.

In 1796 occurred a warm struggle in the Pennsylvania legislature over lottery bills. The senate passed a bill to authorize a drawing to raise funds for Dickinson College. The house inserted amendments to raise by lottery \$15,000 for piers at Chester on the Delaware, \$16,000 to finish a town hall and market in Philadelphia, and \$8,000 for a building and landings in Southwark. The senate refused to concur in any of these, and the whole bill failed.

In 1811 the Union Canal Company was chartered by the State to open water communication with the western counties, with power to supply Philadelphia with water, and to raise for these purposes the sum of \$340,000 by a lottery. Under these powers an annual drawing was held, and the privilege being continued and enlarged by a new act in 1821, the lottery

¹ Scharf & Westcott's History of Philadelphia, Vol. 1, p. 255.

schemes advertised and drawn from 1812 to 1831, inclusive (or twenty years), aggregated the enormous sum of \$21,248,891.¹ Yet out of this great aggregate the Union Canal Company realized less than the \$340,000 originally granted.

The wide-spread evils growing out of the extension of the lottery system in Pennsylvania, by the act of 1821, led to the formation, in 1834, of the "Pennsylvania Society for the Suppression of Lotteries." In an address to the people, the society declared that the act of the legislature prohibiting all lotteries after December 31, 1833, was systematically violated.

Lottery offices for sale of tickets of Delaware, Maryland, and Virginia lotteries were scattered through Philadelphia. The corrupting tendency of lotteries was dwelt upon, and it was declared that all claims of public benefit conferred, where the proceeds of lotteries were devoted to such objects, were deceptive and illusory.

The rapid growth in Pennsylvania of the lottery system is shown in the fact that in 1809 only three offices for the sale of lottery tickets existed in Philadelphia; in 1827, the number was computed at 60; in 1831, they amounted to 177, and in 1833 to more than 200. In the single year 1832, tickets in 420 lottery schemes were sold, whose prices amounted to \$53,136,930; but these schemes represented all parts of the Union having organized lotteries. These sales were all expressly prohibited by law, yet in the neglect of official duty by its officers, and in the careless state of public opinion, the laws were constantly violated, until they became virtually dead letters. These foreign lotteries, authorized in the respective States, were a virtual tax upon Pennsylvanians, for the benefit of internal improvements outside the State, and of the companies promoting the lotteries. The sales of tickets were reported as amounting to \$1,500,000 a year, in Philadelphia alone, the greater part of which was absolute loss. The drawings were weekly or fortnightly, and tickets were so subdivided that 12½ cents was sufficient to purchase a chance. The poor, and especially the servant class, were, to a very wide extent, the patrons of the lotteries. Hand bills were sown broadcast, street placards in gigantic figures, appealing to the imagination of the credulous, were exhibited, and the emissaries of the lottery office even importuned passers-by in the public streets.

¹ Hazard's Register of Pennsylvania, Vol. 9, p. 136.

It was not without many attempts to resist the repeal of the anti-lottery laws, and to secure renewal of the privileges, that Pennsylvania succeeded in putting the ban of public reprobation upon such schemes. In 1843, according to the *Philadelphia North American*, upwards of \$3,000 was raised for the purpose of "effecting a law" to legalize lotteries, the proposed object being "to enable the State to liquidate its debt."

In Connecticut, in 1750, a lottery was authorized to raise a fund for building a new edifice for Yale College.

As early as 1744 the Massachusetts province granted authority to raise by lottery £7,500 to meet the expenses of government. In 1749 Swansea, Mass., was empowered to raise funds by lottery to repair Miles' bridge, and Newbury, the next year, was granted leave to raise £12,000 for a bridge over the Merrimac. In 1757 the manufacture of glass in Braintree was aided by a lottery, sanctioned by the general court. Harvard College, in 1772, its funds running low, received special permission for a lottery scheme to erect Stoughton Hall, which privilege was renewed in 1794. This lottery prolonged its drawings for over ten years, producing \$18,400 net. The college invested \$2,000 in tickets, and itself drew the principal prize of \$10,000 on ticket numbered 18,547.

In 1806 another lottery grant in favor of Harvard College produced \$29,000 to aid in the building of Holworthy Hall, and to repair Massachusetts Hall. The president and fellows appointed agents, and advertised the scheme of the lottery in the journals of the day.

During the Revolutionary war leave was granted to raise money by lottery for the officers and soldiers of Massachusetts in the field.

In the letters of Samuel Sewall is one, October 12, 1719, in which he says: "I dined with the court last Friday, when many expressed their dislike of the lotteries practiced of late, as differing little from gaming for money, and as being really pernicious to trade. Taking notice of no less than four lotteries in the inclosed News-Letter, I would propound it to consideration, whether it will not be expedient to put some stop to the progress of it?"¹

In 1758 we find the people of Charlestown in town meeting assembled voting to ask the general court for authority to

¹ *Mass. Hist. Coll.*, 6th series, Vol. v, p. 102.

organize a lottery to raise funds for paving Main street. This petition was granted, and Charlestown lottery, No. 1, was advertised. The scheme embraced an issue of 6,000 tickets at \$2 each; the prizes numbered 1,255, to return \$10,800 to those buying tickets, and leave \$1,200 to pay for the street paving.

In 1779 there was another lottery authorized for \$60,000, to repair the streets of Charlestown. The same year the repairs of Long wharf were provided for by a \$250,000 lottery.

In 1780 no less a sum than \$200,000 was authorized to be raised by lottery to mend the roads in the counties of Berkshire and Hampshire.

In 1812 a lottery was authorized to raise \$16,000 to repair the beach at Plymouth. This lottery issued schemes in the space of nine years to the prodigious amount of \$886,439; yet the entire sum realized to the town of Plymouth was only \$9,876.

A lottery to buy for Harvard College Joseph Pope's orrery (or planetarium) was authorized in 1788 by special act. The reason assigned in the preamble of the act was "to encourage the efforts of ingenuity and the advancement of science and the public good." Three thousand tickets, at \$2 each, were offered, with one capital prize of \$1,000, one of \$300, one of \$200, two of \$100, three of \$50, fifteen of \$20, and six hundred and seventy-three of \$3 each. The drawing took place at the state-house March 10 to 14, 1789. The scheme was successful, and after paying premiums of about \$2,700 and \$2,250 to Mr. Pope for his orrery, a balance of some \$400 above expenses was paid into Harvard College treasury.

Among public buildings erected by the aid of lotteries in America, Faneuil Hall in Boston possesses most historical interest. After the burning of the first edifice in 1761, at a time of much financial depression, the selectmen of Boston were instructed by a town meeting to petition the general court to empower some suitable person to raise by way of lottery such a sum of money as would be sufficient for the rebuilding of Faneuil Hall. The legislature granted the petition, and the profits of the lottery, which had several drawings, extending to 1764, were applied to building the second Faneuil Hall, which held the town meetings of the Revolution, and still stands as a place of public assembly.

The year 1790 was marked by a singularly wide development

of the lottery passion. In Massachusetts and Pennsylvania the mania was especially rife. Rev. Jeremy Belknap wrote from Boston to Ebenezer Hazard: "You could scarcely imagine what a rage we have here for lotteries. Eight thousand tickets sold in four days in the Marblehead lottery. I wonder Secretary Hamilton does not hit upon a lottery. It would be more popular than laying a duty on salt, which, if he does, will greatly injure our fisheries."¹ Hazard himself (then in business at Philadelphia) sold 500 of the Boston lottery tickets, and thought that he could have sold 1,000 if he had received them. He sends to Rev. Dr. Belknap a ticket which had drawn a prize of \$8 for collection at Boston.²

At the beginning of the present century lotteries were regarded in Massachusetts as a ready and not improper means of raising funds for colleges, academies, and churches. They were made as popular and alluring as possible. "A representation of Fortune blindfolded and balancing herself upon a wheel caught the eye of the reader. One hand of the goddess held a cornucopia, from which a stream of coins was pouring into the hat of an improvident young person who was reduced to that single article of clothing; in the other the fickle lady brandished a scroll bearing the inscription '\$10,000.'"³

Already, as early as 1719, the general court of Massachusetts enacted that "all private lotteries are common and public nuisances." In 1733 a more stringent act for their suppression was passed, followed by others in 1753 and 1785. Still, these laws were frequently violated, and the legislature itself, in plain frustration of their spirit and intent, passed many special acts permitting these "common and public nuisances." At length, in 1821, a joint committee of the legislature made a remarkable report upon the mischief of the permitted sale of lottery tickets from other states in Massachusetts. The abuses of the system were laid bare, and it was shown that in a single case nearly \$500,000 had been collected from tickets out of the hard-earned savings of Massachusetts citizens.

In 1825 a commission appointed to report upon ways and means for building a canal from Boston to the Hudson River proposed to the legislature a lottery scheme for raising funds to carry out that enterprise. This commission estimated that

¹ Mass. Hist. Coll., 5th series, Vol. III, p. 217.

² *Ibid.*, pp. 251, 301.

³ J. P. Quincy in Memorial History of Boston, Vol. IV, p. 16.

the amount annually expended in Massachusetts for the purchase of lottery tickets was over \$250,000, and they saw no reason why, with such sums invested in these schemes, notwithstanding a law of the State prohibiting such traffic altogether, the canal might not be helped forward, under express legislative sanction, as a great and beneficent public enterprise. Their arguments, however, did not prevail, and the canal was not built.

In 1833 an act was passed, which put an end to the sale of lottery tickets in Massachusetts.

As early as the year 1721 lotteries had become so common in the colony of New York that an act of assembly was passed "to prevent lotteries within the Province of New York."

Nevertheless, the practice was not only permitted thereafter, but sometimes authorized by express act, for we find Governor Clinton, in a letter to the Lords of Trade, September 27, 1747, explaining his reasons for giving assent to an act of assembly "for raising 2250 pounds by way of lottery for the advancement of learning, which is absolutely necessary, and much wanted in the Province."¹

In 1748 another special act was passed by the New York assembly for raising the sum of £1,800 by a lottery, for the purpose of founding a college. Again, in 1757, an act was passed to raise £1,125 by lottery, to finish a new jail in New York city.

In 1774 a church was proposed to be erected by a lottery in Brooklyn, for the public religious service of the Church of England, the Dutch Reformed being then the only existing worship.

From a presentment against lotteries by the grand jury of the city of New York, made in 1830, it appeared that at that time fifty-two lottery drawings a year took place, with ostensible prizes amounting to \$9,270,000. The amount of the people's money sunk in them, though not ascertainable, was prodigious, and their effect upon morals was presented as pernicious, creating a spirit of gambling which is productive of idleness, vicious habits, and the ruin of credit and character.

By act of the New York legislature all lottery privileges were prohibited in that State after December 31, 1833.

One of the notable facts in the issues of the early press is the extraordinary number and variety of public lottery schemes

¹ Documents Col. Hist. New York, Vol. VI, p. 379.

which they advertised. In 1790-'91 we find the New York lottery with its regular drawings filling a half column with its list of prizes; the Massachusetts semi-annual State lottery, to be drawn in the Representatives' chamber at the state-house, tickets for prizes (from \$8 to \$10,000) to be had of the treasurer of the State and at the bookstores; the Delaware State lottery, for raising £1,000 for the use of the State; the Lancaster lottery, to raise £1,350 for St. James's church; a lottery to raise a large sum for paving the streets of Philadelphia; another lottery to finish a new Episcopal church, and many more.

In 1776 the Continental Congress authorized a United States lottery to raise money for the army then in the field.

The first drawing was at College Hall, Philadelphia, August 11, 1777. One hundred thousand tickets were offered, under a complicated scheme, by which each ticket was subdivided into four, and the drawing was in four classes, with seven leading Philadelphia citizens as managers. The tickets were to the amount of \$500,000 net, after deducting 15 per cent for expenses; the prizes were also to the amount of half a million dollars, running from \$50,000 down to \$20. The prizes drawn of over \$50 in amount were made payable in treasury bank-notes redeemable at the end of five years. It was thus hoped to realize the whole amount of the lottery in ready money.

By a resolution of May 2, 1778, the drawing of the second class of the lottery was postponed until January 1, 1779.

Another resolution, June 3, 1778, directed lists of the prizes drawn to be printed in pamphlets and distributed to all post-masters, lottery agents, and sellers of tickets in the several States, "for the free inspection of the several adventurers;" and that the printers in the States be requested to publish the whole in weekly portions.

One of the early foreign loans authorized by Congress, soon after the war of the Revolution, was associated with the principle of the lottery. In 1784 John Adams, then minister to Holland, negotiated with Amsterdam bankers a loan of 2,000,000 guilders, at 4 per cent interest, agreeing to distribute among the subscribers, by lot, in subsequent years, obligations of the United States for 690,000 guilders, as a bonus or premium on the loan. These obligations bore 4 per cent, but were payable at the option of the United States within six months after their date. Other bonuses and bankers' commissions car-

ried the amount which the United States agreed to pay for an immediate accommodation of 2,000,000 guilders, up to 2,891,800 guilders. Mr. Adams was fearful that this enormous usury would cause its negotiator to be blamed, but he wrote to Dr. Franklin that he despaired of obtaining the money on any lower terms, as the credit of the United States was low, many bills having gone to protest, and the market for loans being very stringent. But by ciphering out the terms of payment, it appears that if the United States cashed the obligations distributed by lottery within six months after the drawings (which was actually done) the 4 per cent interest on the loan, with the large bonus and premiums added, amounted to only $6\frac{1}{4}$ per cent annual interest.

The foundation of Washington City as the national capital was not without some association with the principle of the lottery, once so widely prevalent. In 1793, the funds for erection of the public buildings running low, the Commissioners of the District of Columbia organized a lottery to raise \$350,000 "for the improvement of the Federal City." They appointed Samuel Blodget, an enterprising citizen of great public spirit (author of the first American statistical work, "*Economica*"), as supervisor of the buildings and general agent for the lottery, at £600 salary per annum. The tickets were \$7 each, and of the 50,000 to be issued, 16,737 represented prizes, and 33,263 blanks. The principal prize was "one superb hotel, with baths, outhouses, etc., to cost \$50,000." The cash prizes ran from \$25,000 down to \$10 each. The Commissioners say the scheme was drawn up "with the previous approbation of the President." In a letter to Washington, proposing a second lottery, they state that the tickets of the first were "taken up with avidity." The first scheme was measurably successful, but the second proposed lottery was never drawn.

In 1795 the legislature of Maryland passed an act "to authorize two lotteries in the city of Washington," conferring upon Daniel Carroll, Thomas Law, and associates, power to raise by lottery the sum of \$52,500, to improve the means of communication by the construction of a canal in Maryland and the District of Columbia.

This act was fully recognized by an act of Congress, approved by Madison, May 6, 1812, which declared the powers therein vested should thereafter be exercised by the Washington Canal Company. The conditions of the act of Congress

required a bond of \$100,000 by the Canal Company to secure "the payment of the prizes drawn by the fortunate adventurers in said lotteries and the residue to the completing of the canal in the city of Washington and draining the marshes contiguous thereto."

The lottery thus authorized was (naturally enough, since it had the direct sanction of Congress) called a "national lottery," and widely advertised. Tickets were placed on sale in leading cities, and such sales at Norfolk, Va., brought this lottery into the Supreme Court of the United States, in 1820, upon grave questions of constitutionality. The law of Virginia prohibited the sale of the tickets of any "foreign lottery" within that State. The ticket sellers in Norfolk were indicted, and carried the case before Chief Justice Marshall, who awarded a summons to bring the case before the United States Court. Soon after this the Virginia General Assembly passed resolutions (in January, 1821) declaring that the Supreme Court had no rightful jurisdiction, under the Constitution, to correct the judgment of the Virginia court against the sellers of lottery tickets, and entered their "solemn protest" against such judicial interference. The case was decided by the Supreme Court at Washington, in February, 1821, to the effect that the act of Congress could not authorize the sale of lottery tickets in States prohibiting it by State law.

It appears that John Quincy Adams was troubled, when President, by solicitations to approve of a quadruple lottery scheme, sanctioned by the corporation of Washington city, to raise \$40,000. In May, 1825, Mr. Adams, fortified by the opinion of Attorney-General Wirt, refused to approve of the lottery.

In 1842 Congress passed an act, still in force, providing for the suppression of the sale of all lottery tickets in the District of Columbia.

By a section of the Revised Statutes of the United States all postmasters are prohibited from acting as lottery agents.

By an act of Congress September 18, 1890, the constitutionality of which came before the Supreme Court, all letters, circulars, or newspapers containing advertisements of lotteries or gift enterprises of any kind, or transmitting purchase money for lottery tickets are forbidden to be carried in the mail or delivered by any postmaster in the United States, under penalty of a fine of not over \$500, or imprisonment not more than one

year, or both. Postmasters are also required to return to the senders registered letters addressed to any known lottery conductor or agent, but no authority is conferred to open any letters whatever. The Supreme Court held the act valid, the right to circulate lottery matter not being a fundamental right, and that it was no abridgment of the freedom of the press for the Government to refuse to become an agent in circulating printed matter deemed by Congress injurious to the public morals.

In 1839-'40 Maryland passed acts totally abolishing the State lottery system, and prohibiting the drawings or dealing in tickets in the State lotteries or in any foreign lotteries whatever. This act was not very effectual in putting an end to the practice, but in the constitution of the State, adopted in 1851, the opponents of lotteries succeeded in ingrafting a provision that "no lottery grant shall ever hereafter be authorized by the legislature." As, however, the existing charters termed "Maryland consolidated lottery grants," had not yet expired, the constitution provided for the choice by the people, at each legislative election, of a "commissioner of lotteries," to discharge certain duties connected with the fair drawing of such authorized schemes. It was further constitutionally enacted that after April 1, 1859, no lottery scheme should be drawn for any purpose whatever, nor any lottery ticket sold, in the State of Maryland. The commissioner was required to secure to the State the annual lottery revenue received during five years previous, until the definitive cessation of all lottery privileges.

In the "instructions" of King George III to Lord Dunmore, Governor of Virginia, dated February 7, 1771, occurs an injunction that the Governor should not give his assent to any legislative acts "for raising money by any private or public lotteries whatsoever." This was occasioned by "great frauds and abuses committed" through lotteries set up by private persons by authority of acts of the legislature in several of the American colonies.

It is not surprising to find George Washington participating in the lotteries of his time, for in what object of public improvement was he not interested? Tickets are preserved of the "Mountain Road Lottery," dated in the year 1768, and signed by Washington. One of these is in the Toner collection in the Library of Congress. In his MS. account books,

preserved in the Department of State, is this entry, under date of May 4, 1769:

By cash paid Peyton Randolph, esq., for my tenth of 100 Tickets taken in Partnership with himself and others in Col. Byrd's Lottery, £50.

In December, 1769, in Washington's personal diary, appears this entry:

Dined at the attorney's, and went in evening to draw Col. Moore's Lottery.

The same business engaged him three successive evenings. And in the following year:

* June 4, 1770. By Col. George Brooke, for 4 tickets in Col. Bd. Moore's Lottery, & Int't on them.....£41 0 4

The first entry records Washington's modest share of ten tickets, at five pounds sterling each, in the lottery organized for the sale of the famous estate of Col. Wm. Byrd, called Westover, comprising a large domain on James River. This was authorized in 1756, and enabled payment to be made of the debts of a heavily involved estate. Without the lottery, Mr. Jefferson says, the lands would have sold at from one-half to one-fourth of their value, and the creditors would have lost the greater part of their claims.

This way of disposing of real estate was not uncommon in Virginia more than a century ago. It was unrestricted by law until 1769, when the legislature, moved by the too wide growth of the speculative mania, enacted that no lottery should be drawn without being authorized by a special act. These special acts, however, were sufficiently numerous, as appears from a partial list of seventy legally permitted lotteries in the thirty-eight years between 1782 and 1820, cited by Mr. Jefferson.¹ The purposes for which these lottery schemes were organized were quite various. Five of them (1790 to 1816) were for clearing rivers and building bridges, including one to raise \$50,000 for the Dismal Swamp improvements. Nineteen were for educational objects, chiefly in aid of academies, with two lotteries for William and Mary College. Ten were for opening or improving public roads; ten to enable counties or towns to pay for streets or other improvements; two for charitable societies; eight to erect or to complete churches in Virginia towns, and six for private individuals "to erect a paper mill;" "for sufferers by fire in Lexington;" "to raise

¹ Jefferson's Works, Vol. 9, pp. 502-505.

£4,000 for William Tatham, to enable him to complete his geographical work," etc.

Besides these special lottery acts, the Virginia legislature, between 1814 and 1820, derived a part of the state revenue from lotteries organized for the express purpose of aiding in the support of the Government.

I now come to the lottery authorized by the Virginia legislature in 1826, for the benefit of Thomas Jefferson. That illustrious man, returning from the highest executive office in 1809 to a long-neglected estate at Monticello, struggled for years with adverse fortune, failing crops, wasteful slave labor, low prices, depreciated currency, an expensive hospitality, and a constantly growing debt and interest account. He was an ingrained optimist, believing always in better times, and while careful and scrupulous in his accounts, his generous nature led him to bestow many charities which his straitened income could not afford. More than any man in America, he was frequented in his retirement by a throng of friends, admirers, and lion-hunters, who found bed and board at the "hotel Jefferson," until its proprietor was almost literally eaten out of house and home. The guests consumed more than Monticello produced, and not even the careful management of his grandson, Randolph, could retrieve his rapidly waning fortunes. At length, early in 1826, in a season of the severest depression, Jefferson, then in his 83d year, "An old man broken with the storms of State," turned as a last resource to the device of selling his lands by a lottery, for which legislative sanction was sought at Richmond. The act passed (not without strenuous opposition), and the gratitude of Jefferson drew from him some expressions almost pathetic in his letters to friends. Before the lottery was organized, or the lands had been valued by the appointed appraisers, the public interest was so excited in behalf of the venerable statesman that it was resolved to save his estate from alienation, and a lively sympathy produced voluntary subscriptions in New York, Philadelphia, and Baltimore to the amount of some \$18,000. The amount for which Jefferson was involved, however, was more than \$80,000; and while the subscriptions served to cheer his declining days (for the pride which had refused aid from the Virginia treasury in former years was now subdued by adversity), they hindered rather than helped the extrication of his estate from its embarrassments. The first endeavor had been to dispose

of the lottery privilege to parties familiar with such organizations in the northern cities; and had the books been opened and the tickets everywhere offered while the public sympathy was still fresh, the success of the plan might have been fully assured. But it was delayed by the volunteer subscriptions, until the death of the illustrious beneficiary, the same year, caused the interest in saving to him his patrimony to subside. It was found impracticable to dispose of the tickets in the lottery, and the whole project was ultimately abandoned. The result was a forced sale of Monticello and Mr. Jefferson's other estates to pay his debts; and the considerable deficiency was most honorably made up by his executor, Thomas Jefferson Randolph.

In its constitution, adopted in 1850, Virginia ratified a provision that no lottery should thereafter be authorized by law; and the buying or selling of tickets or chances in any lottery, not heretofore authorized, was prohibited. The same provision is in the existing constitution.

A singular historical error occurs in the *Encyclopædia Britannica*, where it gravely asserts, in an article on lotteries, that "before 1820 at least seventy acts were passed by Congress authorizing lotteries for various public purposes, such as schools, roads, etc." The facts are that Congress has passed but three lottery acts from the earliest days of the Continental Congress until this day; and the industrious but careless encyclopædist has confounded Mr. Jefferson's list of 70 lotteries authorized by Virginia laws with the legislation of the United States Congress.

The history of lotteries in the State of Kentucky shows how the survival of a once legalized game of chance for public objects may be perverted to purposes of private gain. In 1838 the Kentucky legislature empowered the city of Frankfort to raise, by a lottery, \$100,000 for the use of city schools and the construction of waterworks. The managers of this lottery (which had long become *functus officio*) sold certain undrawn classes of schemes in it to Simmons and Dickinson, who, in 1877, carried on what they termed "The Kentucky State Lottery," ostensibly under the wing of the State's sanction; this, too, notwithstanding a Kentucky statute, passed in 1816, prohibiting the sale of any lottery tickets, except as authorized by special act. The legislature in 1878 went further, and repealed all lottery grants existing in the State of Kentucky.

The managers of this lottery were convicted and their lucrative business stopped by the State courts.

In 1880 in Louisville appeared the flaming prospectus of the "Commonwealth Distribution Company," whose managers were shortly after indicted and deprived of their means of appropriating the money of the people.

Another bold attempt to convert a chartered lottery privilege for public purposes to private gain was in the assumption by the managers of the "Kentucky State Lottery" of a privilege granted in 1839 to Paducah, Ky., to raise \$100,000 by lottery, for education and wharf construction; the court of appeals put an end to this claim in like manner.

These illegal concerns, however, subsisted for years, drawing profits from the credulity of the public, and with offices in New York, etc., advertising the drawings on the 1st and 15th of every month, of the "Old Reliable Kentucky State Lottery."

A legal and constitutional question of much interest in relation to vested rights in lotteries was decided in 1880 by the United States Supreme Court. The suit was brought by the State of Mississippi to suppress a lottery company known as "The Mississippi Educational and Manufacturing Aid Society," which had been duly chartered in 1867. The State constitution of 1868 (one year later) prohibited lotteries, and an act of 1870 forbade the further sale of tickets by companies already authorized. It was claimed by the lottery that this act was unconstitutional and void, because it impaired the obligation of contracts. On appeal to the highest tribunal, the United States Supreme Court held that "The contracts which the Federal Constitution protects are property rights, not government rights. Lotteries belong to the latter class. That lotteries are demoralizing in their effects, however carefully regulated, can not be doubted. There can be no question that lotteries are proper subjects of the exercise of the State's governmental or police power. They are a species of gambling. The right to stop them is governmental, and to be exercised at all times by those in power at their discretion."

It appears from a statement compiled for the Massachusetts legislature in 1832 that the following States then authorized lotteries, with tickets issued under the various schemes as specified:

States authorizing lotteries.	No. of classes.	Amount of tickets at scheme prices.
New York.....	80	\$14,387,801
Virginia.....	72	10,920,166
Connecticut.....	88	8,332,583
Rhode Island.....	68	7,837,621
Pennsylvania.....	26	5,313,056
Delaware and North Carolina (joint grants).....	37	3,462,900
Maryland.....	18	2,212,540
Delaware.....	32	670,263
Aggregate in nine States.....	421	53,136,930

Besides the above, Maine had two lotteries, and several Southern States not named had others.

The State of Louisiana appears to have become the last refuge of the lottery as a system. The constitution of Louisiana, adopted in 1845, prohibited all lotteries and all sales of lottery tickets in that State, and the same provision is found in the constitution adopted in 1857. But in 1864, yielding to a very general desire to open a door for revenue to the impoverished treasuries of the State and the city of New Orleans, the constitution framed in that year declared "The legislature shall have the power to license the selling of lottery tickets and the keeping of gambling houses; but in all cases not less than \$10,000 per annum shall be levied as a license or tax on each vender of lottery tickets and on each gambling house, and \$500 on each tombola."

Under this grant of power, that formidable and lucrative corporation, the Louisiana State Lottery, was chartered August 11, 1868, and it was declared unlawful to sell any other lottery tickets in that State, because "many millions of dollars have been withdrawn from and lost to this State by the sale of Havana, Kentucky, and Madrid and other lottery tickets, thereby impoverishing our own people." The Louisiana Lottery was thus made a monopoly as against all others; and the consideration named in the act which chartered it was the sum of \$40,000, to be paid annually for twenty-five years, to the treasury of the State. The title of this act is "An act to increase the revenues of the State, and to authorize

the incorporation and establishment of the Louisiana State Lottery Company." This extensive privilege, through the prohibition of lotteries by all other States, has inured to the enormous profit of the company chartered. Shrewdly and ably managed, it drew to its support very influential financial backers, circulated its attractive advertisements broadcast throughout the country, established agencies to operate openly where it could, and secretly where it could not, and became the fruitful source of unknown wealth to its managers. According to the statements of the company itself, it formerly sold each month, for ten months of each year, 100,000 tickets at \$2 each, and at its "extraordinary drawings" for each of the two remaining months 100,000 tickets at \$10 each, thus making its revenue (1,000,000 tickets at \$2 and 200,000 at \$10) or actual receipts \$4,000,000 per annum. Out of this vast sum (still by its own statement) the company paid in prizes \$2,124,000; commissions and incidentals, \$825,000; advertising, \$187,500, and premium to the State, \$40,000; total, \$3,176,500. The balance, \$823,500, represents the probable profits of a year's business. This, however, was in its palmy days of prosperity, for the company had its trials and its drawbacks.

After enjoying about ten years' lease of its lucrative privilege, the Louisiana legislature passed an act repealing its grant, and prohibiting it from drawing any lottery or selling any tickets from and after March 31, 1879.

Here was a dilemma. But the Louisiana Lottery Company was equal to the emergency. A State constitutional convention was about to meet to revise the fundamental law of the State. This body convened, and a clear majority of its members being converted to the advantages of the lottery system, it put into the new constitution a clause empowering the general assembly to grant lottery charters or privileges, provided the sum of \$40,000 per year should be paid into the State treasury for the use of the Charity Hospital of New Orleans. It further provided as follows: "And the charter of said company is recognized as a contract binding on the State for the period therein specified (*i. e.*, twenty-five years, from 1868 to 1893), except its monopoly clause, which is hereby abrogated." This constitution was adopted in December, 1879, and was held to control the legislative act of repeal, and to reinstate the lottery company in all its privileges, except the exclusive right to deal in lottery tickets. In this new constitution, strange to say, was a clause to this effect: "Gambling is declared to be

a vice, and the general assembly shall enact laws for its suppression." There is also a proviso after the rehabilitation clause, that "all charters shall cease and expire on the 1st of January, 1895, from which time all lotteries are prohibited in the State."

In 1890 the company offered the legislature half a million dollars a year for an extension of its franchise, increased the offer to a million, and finally got through an act for submitting to the people a constitutional amendment giving a twenty-five years' lottery privilege for the sum of \$1,250,000 annually. This was vetoed by the governor, and long judicial proceedings were instituted. The Lottery Company finally abandoned the hope of getting any renewed lease of life in Louisiana, and turned its attention to Spanish-American countries less hostile to that form of gambling than the United States.

Besides the many legalized lotteries which have from time to time subsisted in various States, there has been a plentiful crop of bogus or illegal lotteries, doing a large business in the sale of tickets, in nearly every city. Not to refer to the "policy shops" and the dealers in all kinds of chances, whose name is legion, there was a "Cheyenne Lottery" exploited about 1877, in New York, holding out the alluring bait of 500,000 prizes, "every ticket to draw a prize." About the same time the Wyoming Prize Distribution Lottery, the Laramie City Lottery, the Victoria, Canada, Lottery, and the Royal New Brunswick Lottery drew in a multitude of victims.

The history of movements for the suppression of the lottery system affords convincing proof of the soundness of public opinion upon this subject when once enlightened by facts. Although the record here given exhibits a multitude of legislative sanctions to lotteries for public purposes, it presents surprisingly few grants for private lottery schemes, however sugar-coated by royalties reserved to the State or locality in the interest of the tax-payers.

Among the various constitutional provisions found on this subject, that adopted by Arkansas in its constitution of 1836, and reenacted in that of 1874, is a model of brevity. "No lottery shall be authorized by this State, nor shall the sale of lottery tickets be allowed." This prohibition is amplified in other State constitutions, that of Alabama reading as follows:

The general assembly shall have no power to authorize lotteries or gift enterprises for any purpose, and it shall pass laws to prohibit the sale of lottery or gift-enterprise tickets, or tickets in any scheme in the nature of

a lottery, in this State, and all acts or parts of acts heretofore passed by the general assembly of this State authorizing a lottery or lotteries, and all acts amendatory thereof or supplemental thereto, are hereby avoided.

The following shows the States that have incorporated in their fundamental law a prohibition of lotteries, with date of adoption of the constitution now in force. All of the States named have forbidden their legislatures to authorize lotteries for any purpose, and those marked with a star have prohibited the sale of lottery tickets within their limits:

* Alabama	1875	* Montana	1889
* Arkansas	1874	Nebraska	1875
* California	1879	* Nevada	1864
* Colorado	1876	* New Jersey	1844
Florida	1885	* New York	1846
* Georgia	1877	* Ohio	1851
Idaho	1889	* Oregon	1857
* Illinois	1870	Rhode Island	1842
* Indiana	1851	* South Carolina	1868
* Iowa	1857	South Dakota	1889
* Kansas	1859	* Tennessee	1870
* Kentucky	1891	* Texas	1876
Maryland	1867	* Virginia	1870
* Michigan	1850	Washington	1889
* Minnesota	1857	* West Virginia	1872
Mississippi	1890	Wisconsin	1878
* Missouri	1875		

It will be seen that thirty-three States have constitutional provisions prohibiting lotteries, all of them except nine extending the prohibition to the sale of lottery tickets within their limits. Of the remaining eleven States the following are living under constitutions adopted before the public agitation against lotteries became prevalent: Massachusetts, whose constitution was framed in 1780; New Hampshire, 1792; Vermont, 1793; Connecticut, 1818; Maine, 1820, and Delaware, 1831. In Pennsylvania, under a constitution adopted in 1873, the laws prohibit lottery schemes, but the constitution is silent on the subject.

Lotteries which appeal to the charity as well as the cupidity of men have always held out a double attraction to that portion of the public who like the fascinating hazard of risking a small sum in the hope of gaining a greater. The greed of gambling, concealed under the garb of charity or of religion, may be covered by a very thin veil, but it is a veil which has proverbially covered multitudes of sins.

The now generally-recognized evils of the lottery were slow in making themselves felt in many parts of our country. The fact that all, or nearly all the earlier lottery schemes were for public benefits served to quiet the consciences of the scrupulous. The lottery for private gain is mainly of very recent growth. The lottery for government expenses, ecclesiastical buildings or revenues, educational endowments, improved transportation, river and harbor betterments, and public charities, was the earliest, and survived the longest. Gradually, however, it developed abuses so flagrant as to arouse public reprobation, and to open the eyes of all but the wilfully blind. The investor in such schemes always stands to lose and the management to gain in the direct ratio of their chances, which are preponderantly in favor of the lottery. The plain results of indulgence in this tempting but surely losing species of gaming were seen in thousands of instances. Unreal expectations, visionary hopes, distaste for the slow gains of useful labor, consuming anxieties, spending beyond means, debt, speculation, concealment, bankruptcy—such were some of the oft-repeated experiences of the victims of the lottery habit. The poorer and more ignorant classes, as is always the case when speculative schemes are launched anywhere, were the greatest sufferers. The rich speculator who invests in lottery tickets spends part of his surplus and can afford to lose; the poor man spends perhaps his last dollar, and often a borrowed one. The deprivation, want, and misery entailed upon families by this curse can not be measured.

Writers on the theory of probabilities have laid down this formula: "The value of every expectation is found by multiplying the sum expected by the probability of obtaining it." Thus, suppose a lottery scheme where there are 10,000 tickets of \$10 each and only one prize; then A's chance of drawing the prize is 1 against 9,999, or $\frac{1}{10000}$ expresses his probability of winning. Or, suppose a lottery in which the number of prizes and of blanks is equal—or 5,000 prizes of \$20 each and 5,000 blanks, the tickets being \$20. Here A's chance of winning or losing is precisely equal. If he wins, he is no better off than if he had not risked his \$20; if he loses, he is \$20 worse off. And however widely the scheme may be varied, the proportion of a purchaser's disadvantage between these two extremes will keep pace with the variations. In other words, the lottery ticket buyer has always the odds against him, and how-

ever honestly the drawing may be managed, he stands to lose in the direct ratio of the chances, which must always be largely in favor of the management, or there would be no motive of profit in the scheme.

To sum up this necessarily concise and imperfect historical view, it appears to be established that in the earlier ages of the republic lotteries were regarded with general favor, or at least with toleration; that schemes or drawings by chance for public objects were common throughout the country; that lotteries for private gain were very rarely, and in most States never permitted to exist; that even those organized for public improvements produced trifling pecuniary results to the objects ostensibly aided, while drawing from the people heavy sums with no returns save to a very few individuals; that the evils and abuses developed by the system, even when administered under the shield and sanction of the law, led gradually to discredit it profoundly in the public mind; that the change in popular opinion was evinced first, by the enactment of prohibitory laws with fines and forfeitures in all the States; next by criminal statutes, punishing the promoters of lotteries by imprisonment, and finally by making the prohibition of lotteries a part of the constitution in all States except eleven, in which, however, lotteries are prohibited by law, save in three States, where, moreover, they do not exist; and that the experience of the past appears to have crystallized into a general public conviction that lotteries are to be regarded, in direct proportion to their extension, as among the most dangerous and prolific sources of human misery.



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